



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285
DAVE GOETZ
COMMISSIONER**

**FOR IMMEDIATE RELEASE
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**CONTACT: Lola Potter
(615) 532-8560**

February Revenues

Nashville – On an accrual basis February is the seventh month in the 2003-2004 fiscal year. Department of Revenue tax collections were \$591.6 million.

February revenues were \$14 million more than the budgeted estimates, Finance and Administration Commissioner Dave Goetz announced today. The general fund had a \$19.4 million overcollection and the four other funds undercollected by \$5.4 million.

Sales tax collections were \$16.2 million more than the estimate in February. For seven months revenues are overcollected by \$68.6 million.

Franchise and excise tax collections of \$23.5 million were \$1.1 million more than the estimate for the month. Revenues are overcollected by \$2.7 million for seven months.

Gasoline taxes and motor vehicle registrations were \$6 million less than the budgeted estimates of \$87.8 million in February.

Year-to-date collections for seven months are \$111 million more than the budgeted estimates. The general fund is overcollected by \$102.4 million and the four other funds are overcollected by \$8.6 million. Sales tax estimates for the year are corrected by \$10.3 million to account for allocations to the telecommunications ad valorem tax reduction fund.

The budgeted revenue estimates are based upon the State Funding Board's consensus recommendation adopted by the first session of the 103rd General Assembly in May of last year.

<p align="center">REVENUE COLLECTIONS FEBRUARY, 2004, AND 7 MONTHS YEAR-TO-DATE</p>
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February Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$456,575,000	\$475,929,000	\$19,354,000
Highway Fund	52,320,000	48,219,000	(4,101,000)
Sinking Fund	18,052,000	18,175,000	123,000
City & County Fund	48,440,000	47,060,000	(1,380,000)
Earmarked Fund	2,173,000	2,218,000	45,000
Total	<u>\$577,560,000</u>	<u>\$591,601,000</u>	<u>\$14,041,000</u>

Year-To-Date Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$3,971,862,000	\$4,074,230,000	\$102,368,000
Highway Fund	350,165,000	351,784,000	1,619,000
Sinking Fund	129,735,000	130,241,000	506,000
City & County Fund	359,072,000	364,847,000	5,775,000
Earmarked Fund	18,318,000	19,021,000	703,000
Total	<u>\$4,829,152,000</u>	<u>\$4,940,123,000</u>	<u>\$110,971,000</u>

Table 1
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	February			
	2003	2004	Change	Percent
Franchise & Excise	\$25,275,000	\$23,465,000	-\$1,810,000	-7.16%
Income	1,114,000	1,663,000	549,000	49.28%
Inheritance & Estate	4,363,000	9,172,000	4,809,000	110.22%
Gasoline	50,213,000	46,081,000	-4,132,000	-8.23%
Petroleum Special	5,123,000	4,967,000	-156,000	-3.05%
Tobacco	9,541,000	9,007,000	-534,000	-5.60%
Beer	1,368,000	1,332,000	-36,000	-2.63%
Motor Vehicle Registration	20,012,000	19,172,000	-840,000	-4.20%
Motor Vehicle Title	791,000	846,000	55,000	6.95%
Mixed Drink	2,860,000	3,137,000	277,000	9.69%
Business	317,000	404,000	87,000	27.44%
Privilege	14,798,000	15,337,000	539,000	3.64%
Gross Receipts	174,000	164,000	-10,000	-5.75%
TVA - In Lieu of Tax Payments	16,408,000	16,756,000	348,000	2.12%
Alcoholic Beverage	2,234,000	2,103,000	-131,000	-5.86%
Sales and Use	396,632,000	426,393,000	29,761,000	7.50%
Motor Vehicle Fuel	15,964,000	11,500,000	-4,464,000	-27.96%
Severance	101,000	92,000	-9,000	-8.91%
Coin-operated Amusement	16,000	10,000	-6,000	-37.50%
Total	\$567,304,000	\$591,601,000	\$24,297,000	4.28%

Table 2
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	August - February			
	2002-2003	2003-2004	Change	Percent
Franchise & Excise	\$434,974,000	\$476,408,000	\$41,434,000	9.53%
Income	8,727,000	13,310,000	4,583,000	52.52%
Inheritance & Estate	46,462,000	62,096,000	15,634,000	33.65%
Gasoline	358,949,000	353,837,000	-5,112,000	-1.42%
Petroleum Special	36,040,000	36,584,000	544,000	1.51%
Tobacco	64,220,000	69,223,000	5,003,000	7.79%
Beer	10,317,000	10,181,000	-136,000	-1.32%
Motor Vehicle Registration	110,068,000	115,208,000	5,140,000	4.67%
Motor Vehicle Title	6,125,000	6,248,000	123,000	2.01%
Mixed Drink	21,701,000	23,194,000	1,493,000	6.88%
Business	1,257,000	7,001,000	5,744,000	456.96%
Privilege	114,076,000	131,111,000	17,035,000	14.93%
Gross Receipts	10,602,000	10,076,000	-526,000	-4.96%
TVA - In Lieu of Tax Payments	116,602,000	118,617,000	2,015,000	1.73%
Alcoholic Beverage	20,088,000	21,298,000	1,210,000	6.02%
Sales and Use	3,177,196,000	3,386,780,000	209,584,000	6.60%
Motor Vehicle Fuel	92,948,000	98,210,000	5,262,000	5.66%
Severance	618,000	628,000	10,000	1.62%
Coin-operated Amusement	424,000	113,000	-311,000	-73.35%
Total	\$4,631,394,000	\$4,940,123,000	\$308,729,000	6.67%

Table 3
August - February Revenue Overcollections/(Undercollections)
Budgeted Estimate

	General Fund	Other Funds	Total
Sales Tax	\$ 65,600,000	\$ 3,000,000	\$ 68,600,000
Income Tax	1,800,000	500,000	2,300,000
Inheritance Tax	23,300,000	0	23,300,000
Privilege Tax	14,100,000	700,000	14,800,000
Business Tax	(3,100,000)	0	(3,100,000)
TVA	(500,000)	(400,000)	(900,000)
Gross Receipts	(2,900,000)	0	(2,900,000)
Gasoline & Motor Vehicle Registration	900,000	4,500,000	5,400,000
Other Taxes	500,000	300,000	800,000
Sub-Total	\$ 99,700,000	\$ 8,600,000	\$ 108,300,000
F & E Taxes	2,700,000	0	2,700,000
Total	\$ 102,400,000	\$ 8,600,000	\$ 111,000,000